



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

GABRIEL N. ISSA

Serial No.: 09/373,141

Filed: August 12, 1999

Group Art Unit: 3628

Examiner: Paul A. Bell

For: METHOD, SYSTEM AND COMPUTER SITE FOR CONDUCTING AN ONLINE AUCTION

Attorney Docket No.: ISSA 0101 PUS

APPEAL BRIEF UNDER 37 C.F.R. § 41.37

Mail Stop Appeal Brief - Patents
Commissioner for Patents
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Sir:

This is an Appeal Brief from the final rejection of claims 1-63 of the Office Action mailed on August 19, 2005 for the above-identified patent application.

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I. REAL PARTY IN INTEREST

The real party in interest is Gabriel N. Issa, LLC ("Assignee"), a corporation organized and existing under the laws of the state of Michigan, and having a place of business at Suite 120, 2250 W. Big Beaver, Troy, Michigan 48084, as set forth in the assignment recorded in the U.S. Patent and Trademark Office on August 12, 1999 at Reel 010173/Frame 0152.

II. RELATED APPEALS AND INTERFERENCES

There are no appeals or interferences known to the Appellant, the Appellant's legal representative, or the Assignee which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

III. STATUS OF CLAIMS

Claims 1-63 are pending in this application. Claims 1-63 have been rejected and are the subject of this appeal.

IV. STATUS OF AMENDMENTS

No amendment has been filed subsequent to the final rejection.

V. SUMMARY OF CLAIMED SUBJECT MATTER

Independent claim 1 provides a method for conducting an online auction of a monetary amount for a specified category of items. (Figure 1, note: reference numerals have been added to Figure 1 for convenience.)

Business Model: Auction Website for Pooled Buyers of Discounted "Buying Power"

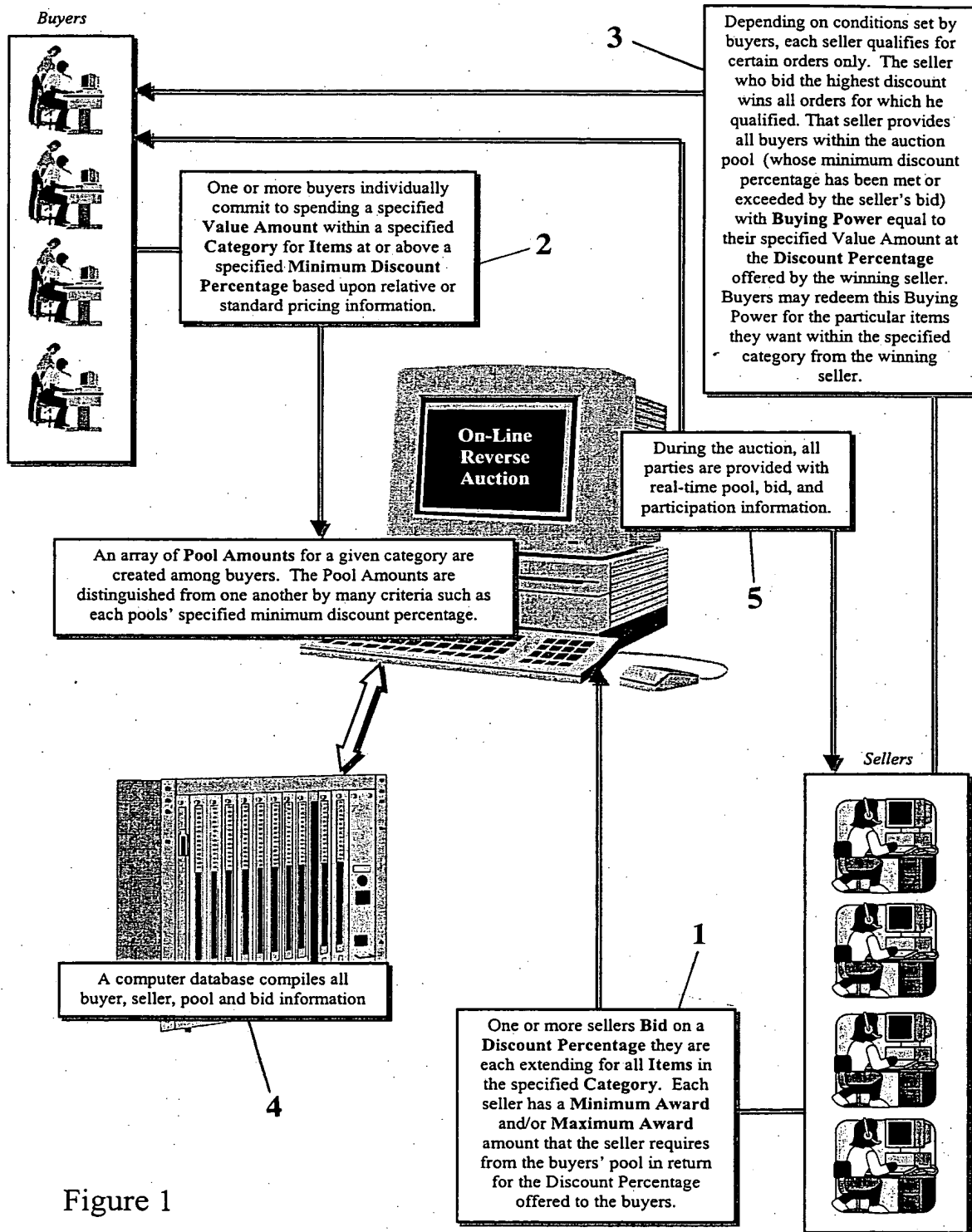


Figure 1

The method includes receiving at a computer site at least one bid having a discount rate for the specified category of items being auctioned from a plurality of sellers registered to participate in the auction. (Page 6, lines 10-13; Figure 1, reference no. 1). Examples of a specified category of items include "projection televisions," (Page 25, lines 18-19), and "automobiles," (Page 29, lines 17-18); a specified category of items does not include, however, the specific variations or options of the specified category. (Page 25, lines 17-18). For example, for the specified category "projection televisions," the specific variations or options would include the brand, size, and model number of the television. (Page 25, lines 17-20). The method also includes receiving at the computer site a commitment to buy an undiscounted monetary amount of the item or within the specified category of items at a minimum discount rate from at least one buyer registered to participate in the auction. (Page 6, lines 13-16; Figure 1, reference no. 2). The undiscounted monetary amount comprises a specified value amount. For example, when a buyer commits an amount of money, *e.g.*, \$45,000, (Page 29, lines 17-19), the specified value amount is \$45,000. The method then includes declaring at least one successful seller of the monetary amount for the specified category of items based on the bid from the successful seller or sellers having the greatest discount rate greater than or equal to the minimum discount rate and best meeting the buyer's individual conditions. (Page 6, lines 16-19; Figure 1, reference no. 3).

Independent claim 32 provides a computer site for conducting an online auction of a monetary amount for a specified category of items. (Page 8, lines 14-16). The computer site includes a set of related documents and associated files. (Page 8, lines 16-17). The computer site also includes a server for serving up the set of related documents and associated files to a plurality of I/O devices to provide buyers and sellers with capability to participate in the auction. (Page 8, lines 17-19). The server is programed to perform the method of independent claim 1. (Page 8, line 19 - Page 9, line 5).

Independent claim 63 provides a computer-implemented auction system for negotiating discount credits between sellers offering at least one pre-defined category of goods or service items and buyers wishing to purchase goods or service items selected from said category. (Page 10, lines 22-26). The computer-implemented auction system includes an auction system having an auction engine that presents a first interface, (Figure 3b, note: reference numerals have been added to Figure 3b for convenience),

Buyer View:

Category

Input Discount request

List Price (Buying Power)

Cost of Buying Power

Amount you will save

Other Buyer Activity

| # of People | % Discount | Total Buying Power |
|-------------|------------|--------------------|
| 215 | 3 | \$106,000 |
| 667 | 4.5 | \$320,000 |
| 104 | 5.25 | \$43,000 |
| 845 | 6 | \$460,000 |
| 111 | 7.1 | \$37,000 |
| 71 | 8 | \$50,000 |

Selling

Laser Printer

10%

\$500.00

\$450.00

\$50.00

Unacceptable

Seller List*

Seller1

Seller2

Seller3

Seller4

Discount

6%

7.2%

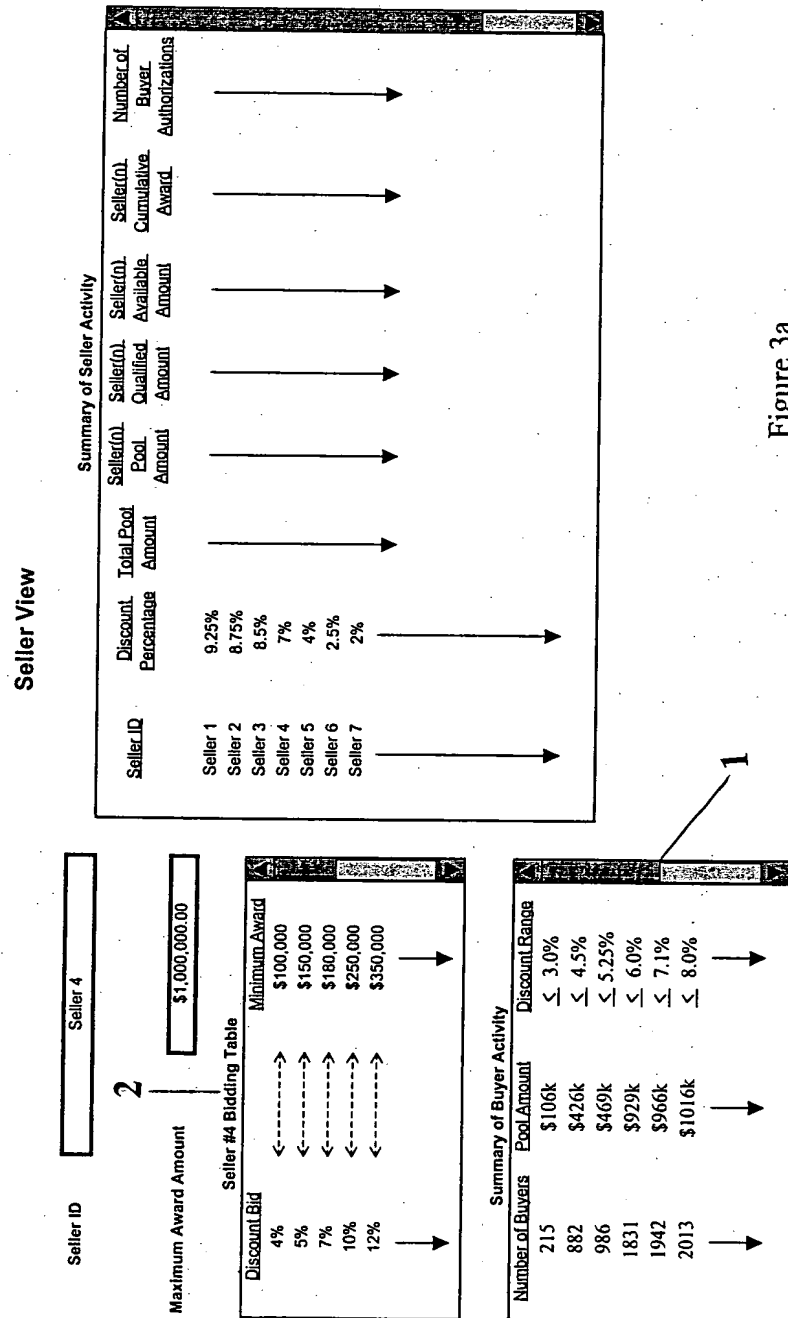
8%

7.0%

* Click on the Seller hyperlink to learn more about sale details, reference pricing, special offers and store locations.

Figure 3b

for access by buyers in communicating willingness to purchase items selected from a pre-defined category at a negotiated category discount, (Page 10, line 26 - Page 11, line 2), and a second interface, (Figure 3a, note: reference numerals have been added to Figure 3a for convenience),



for access by sellers in communicating willingness to offer items selected from the pre-defined category, (Page 11, lines 2-4). The first interface includes a commitment amount field through which each buyer communicates the amount that buyer will commit to spend, (Figure 3b, reference no. 1), and a requested discount field through which each buyer communicates the smallest discount that buyer will accept, (Figure 3b, reference no. 2). (Page 11, lines 4-7). For example, a buyer could commit to spend \$45,000 and declare 17% to be the smallest discount that buyer will accept. (Page 29, lines 17-20). The computer-implemented auction system also includes a data storage associated with the auction engine for storing the identity of buyers who have communicated willingness to purchase items from the pre-defined category, and for storing bid data indicative of the commitment amount and requested discount communicated by each buyer. (Page 11, lines 7-11). The computer-implemented auction system further includes a compilation system, (Figure 1, reference no. 4), that analyzes the bid data to present information to sellers through the second interface, (Figure 3a, reference no. 1), indicative of the aggregate commitment amounts associated with different requested discounts. (Page 11, lines 11-14). The second interface, (Figure 3a, reference no. 2), also has a discount offer field through which each seller communicates the discount that seller is willing to offer. (Page 11, lines 14-16). The computer-implemented auction system still further includes a commitment system that has a mechanism for terminating negotiation in response to a pre-defined criterion and for identifying a selected seller that has offered the greatest discount during the negotiation. (Page 11, lines 16-18). The commitment system communicates with the auction system to generate a discount record for at least a portion of the buyers identified in the data storage. (Page 11, lines 18-20). Each discount record includes the identity of the buyer and seller, the pre-defined category on which the buyer negotiated and data indicative of the commitment amount and the discount offered by the selected seller. (Page 11, lines 20-23).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Claims 1-62 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,260,024 (Shkedy) in view of Applicant's admitted prior art found in the specification.

Claim 63 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,260,024 (Shkedy) in view of Applicant's admitted prior art and "ECOMMERCE / BUYING SERVICE COUNTS ON STRENGTH IN NUMBERS" THE WASHINGTON POST. Newsday (combined editions).

VII. ARGUMENT

A. Claims 1-62 Are Patentable Under 35 U.S.C. § 103(a) Over U.S. Patent No. 6,260,024 (Shkedy) in view of Applicant's admitted prior art in specification.

Examiner's arguments ignore the fundamental differences between Applicant's invention and Shkedy: Shkedy utilizes prices directed to forward purchase orders, (*e.g.*, claim 1, Shkedy), whereas Applicant's invention utilizes undiscounted monetary amounts at minimum discount rates directed to categories of items, (*e.g.*, claims 1 and 32 of Applicant's invention). Examiner's arguments also ignore the benefits associated with these fundamental differences, including the separation of the buying transaction (1) from the process of selecting the exact variation/options of the item and (2) from the process of redeeming the item. These benefits are absent in the prior art.

Figure 5 of Shkedy describes the process by which a buyer formulates a forward purchase order (FPO). (Col. 13, lines 7-8).

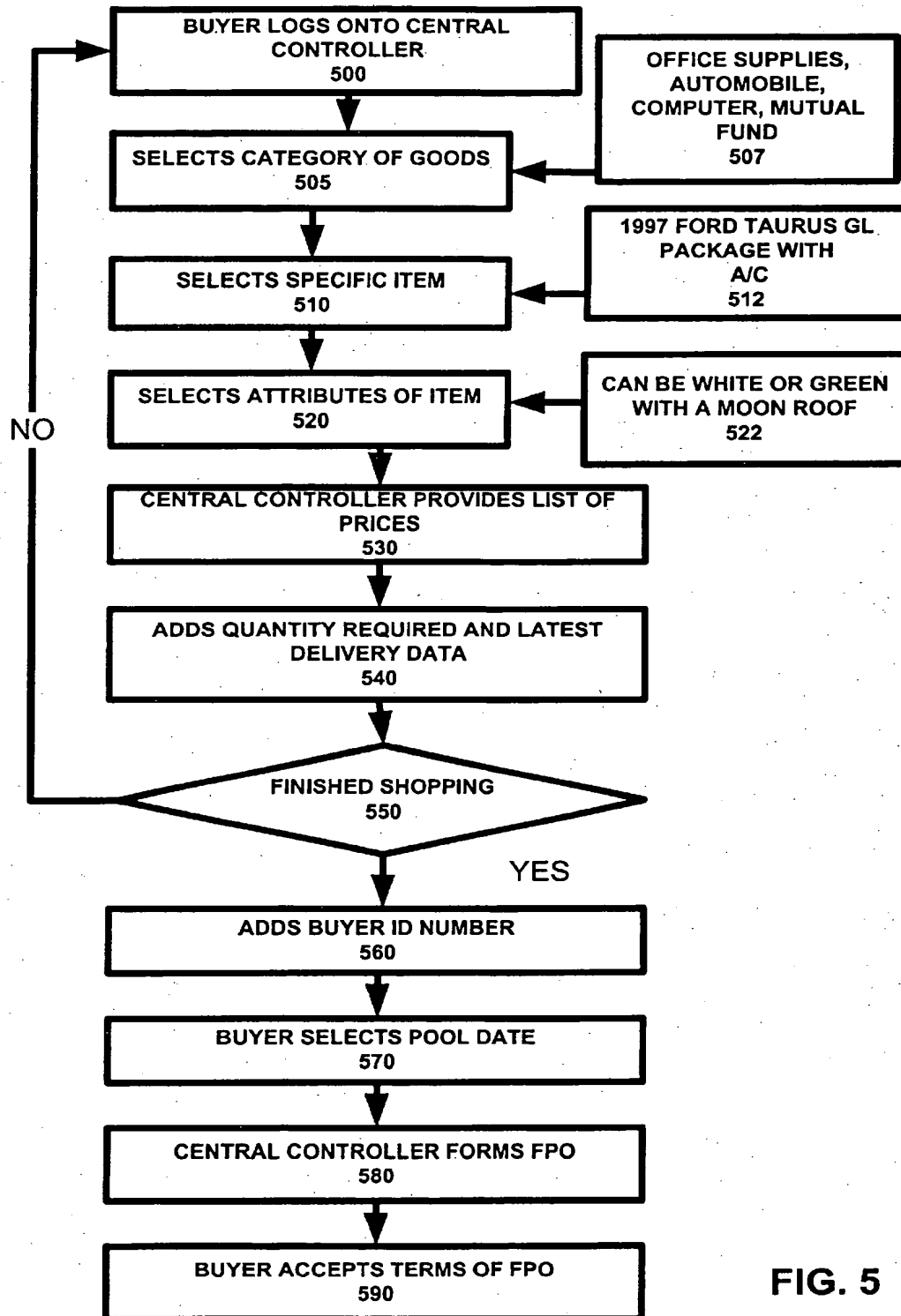


FIG. 5

The FPO is the subject of the transaction between the buyers and sellers of Shkedy. (Col. 4, lines 48-51).

At step 505, the buyer selects the category of the goods he wants to purchase by selecting from a list of possible categories. As shown in box 507 categories might include office supplies, automobiles, computers, mutual funds, stocks, airline tickets, hotel rooms, rental cars, insurance, mortgages, clothing, etc. After the category is selected, in step 510, the buyer than [sic] selects a particular item from that category. As shown in box 512, this might be a Cross roller pen, 1997 Ford Taurus GL with A/C package, a Dell Dimension XPS R450 Pentium II Processor at 450 MHZ, a Fidelity S&P Index fund, IBM stock, a flight from New York to London, etc.

(Col. 13, 17-29).

Figure 2a of Shkedy illustrates the steps associated with the creation, transmission and inclusion of a forward purchase order (FPO) into a pooled purchase order database. (Col. 5, lines 7-9).

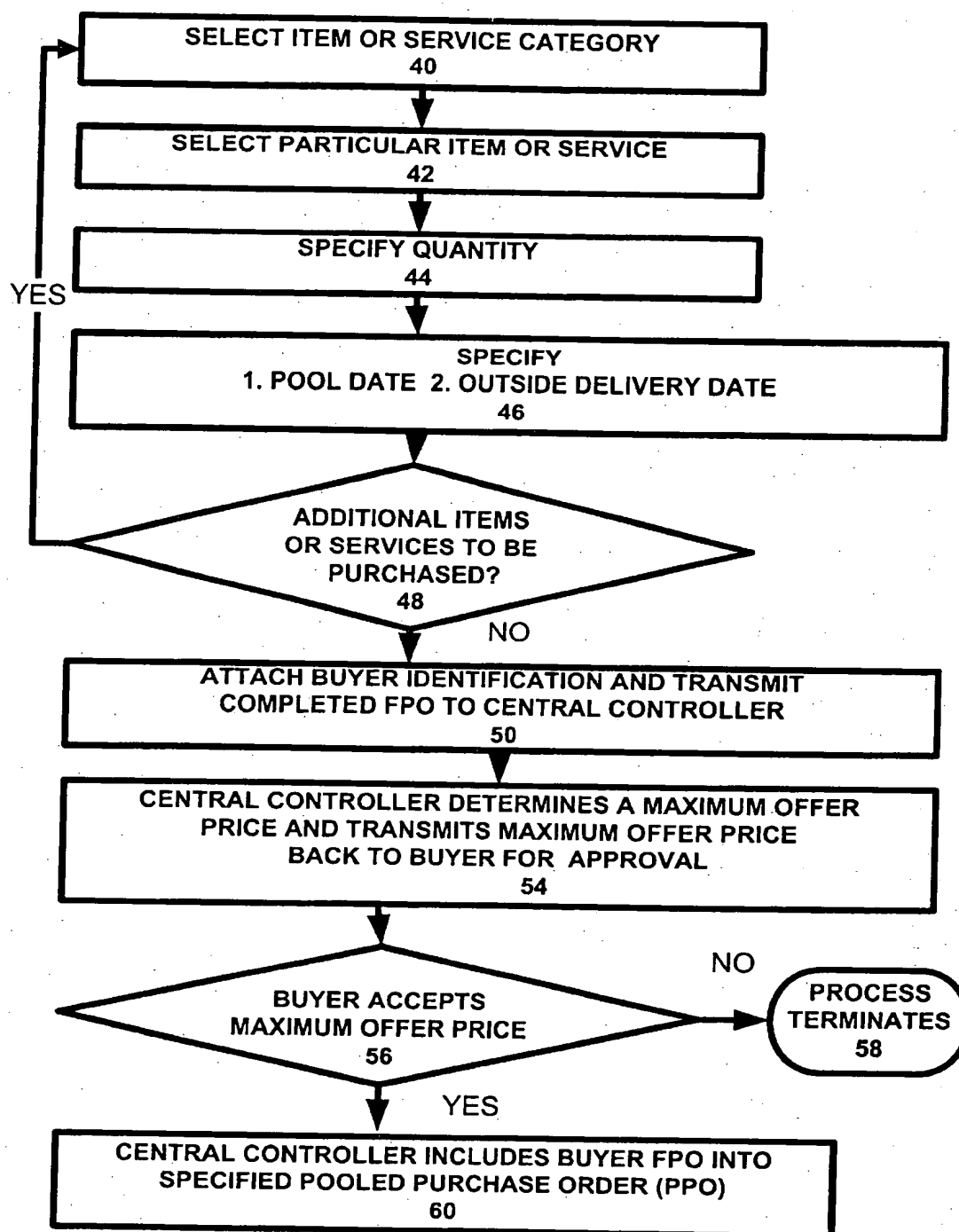


FIG. 2A

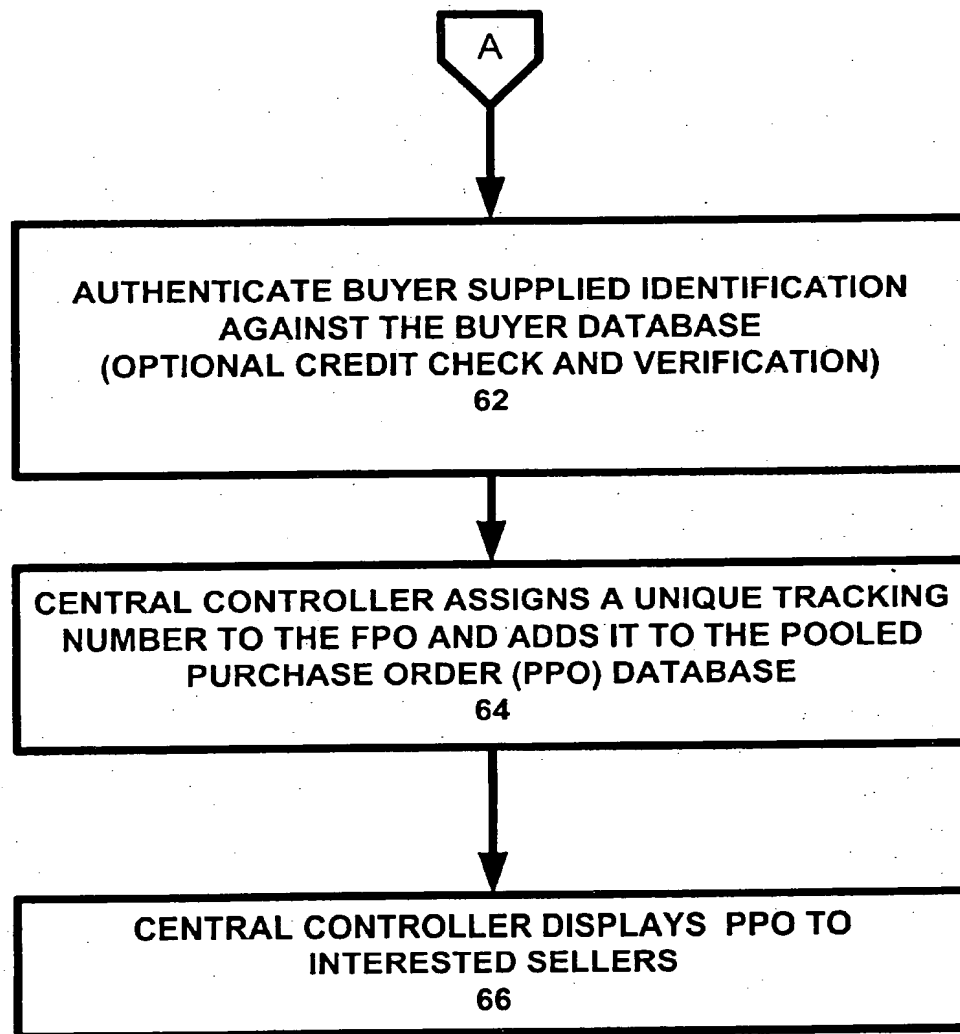


FIG. 2A CONTINUED

Similar to step 510 of Figure 5, at step 42 of Shkedy, a buyer selects the particular item or service from the category of goods or services selected at step 40. (Col. 5, lines 9-11 and lines 31-34).

In contrast to Shkedy, Applicant's invention enables the separation of the transaction from the process of selecting the exact variations or options of the item purchased. (Page 6, lines 4-7). For example, consider a number of buyers who join an auction for new XYZ brand automobiles. (Page 29, lines 16-17). Each buyer commits an amount of money they are interested in spending and indicates a minimum desired discount rate. (Page 29, lines 17-20). Sellers then commence the repetitive bidding of discount rates. (Page 29, lines 20-22). After the close of the auction and after the buyer's accounts are debited for the amount of their declared spending amount less the discount rate, (page 29, lines 26-30), *i.e.*, after the transaction, a buyer can visit the seller and select/redeem the specific vehicle of his choice (colors, options, etc.), (page 30, lines 2-4). In another example, if the subject of the transaction was projection televisions, during the subsequent selection/redemption, the buyer could select a XYZ 52" TV model #HDTV2443. (Page 25, lines 10-20). Shkedy teaches away from the claimed invention because when generating an FPO, a buyer in Shkedy must select the specific variations or options, *e.g.*, Dell Dimension XPS R450 Pentium II Processor at 450 MHZ, from the category of items, *e.g.*, computers. (Col. 13, 17-29; Figure 5, steps 505-522).

Because a buyer in Applicant's invention specifies an undiscounted monetary amount as opposed to an exact price, and a category of products/services as opposed to a specific product/service, Applicant's invention offers advantages over Shkedy and the prior art including (1) products/services with many variations/options for which it is difficult to specify an exact price before the sale can still be auctioned by including them into a more generalized category from which the buyer agrees to buy a certain monetary amount, *e.g.*, \$30,000 worth of XYZ model automobile—this will result in the creation of large auction pools, (Page 13,

lines 4-9) and (2) categories of products/services that are similar, but not identical, can be grouped and offered into one auction, resulting in even larger auction pools and greater discounts, *e.g.*, \$2,000 worth of XYZ PC computers and XYZ printers, (Page 13, lines 10-13).

Because Applicant's invention provides for the separation of the buying transaction from the process of selecting the exact variation/options of the item and from the process of redeeming the item, Applicant's invention offers advantages over Shkedy and the prior art including (1) enabling sellers to advance sell without having to wait for buyers to select or redeem the product/services, *e.g.*, XYZ Mall winning a pool of \$700,000 worth of discounted gift certificates, (Page 14, lines 1-3), (2) enabling the auctioning of blocks of products/services that are normally bought/used in a fragmented manner, *e.g.*, \$500 worth of long distance calling, (Page 13, lines 17-19), (3) enabling the auctioning of products/services that buyers traditionally like to physically inspect or try out before purchasing, *e.g.*, \$200 worth of women's apparel, (Page 13, lines 20-22), and (4) enabling the buyers to first secure a discount on a sale, then take enough time selecting the product/service that best fits their needs, *e.g.*, \$3,000 worth of home carpeting, (Page 13, lines 23-25).

Claims 2-31 and claims 33-62 depend respectively from claims 1 and 32. For at least the reasons claims 1 and 32 are patentable, claims 2-31 and claims 33-62 are patentable.

1. Claims 1-31 are Separately Patentable over U.S. Patent No. 6,260,024 (Shkedy) in view of Applicant's admitted prior art in specification

Examiner contends that "it is obvious to one of ordinary skill that this language[, *i.e.*, 'buyers could indicate a minimum discount off the maximum offer price provided by the central controller 200 that a buyer would be willing to accept,' (Shkedy, col. 7, ll. 21-24) (emphasis added),] is suggestive of a seller needing to be able to figure out at what

the BID price needs to be in order to meet the ‘minimum discount off’ as suggested by Shkedy in order to have a successful bid and sellers are motivated to do what ever it takes to make a sale as long as they can make some profit of [sic] the volume of sales.” Office Action, August 12, 2005, p. 3. Examiner’s assertion does not suggest “receiving at a computer site at least one bid having a discount rate” In Shkedy, the seller must bid a price, Shkedy, col. 7, ll. 24-25 (“The seller would then be notified of a maximum price he had to beat in order to bid.”), not a discount rate as claimed. Shkedy teaches away from Applicant’s invention because sellers in Shkedy’s method have no need for or access to buyer discount rates. *See In re Gordon*, 733 F.2d 900 (Fed. Cir. 1984) (The fact that a prior art device could be modified so as to produce the claimed device is not a basis for an obviousness rejection unless the prior art suggested the desirability of such a modification.)

Examiner contends that “[i]t is inherent that the seller with the ‘lowest price’ would effectively also have the ‘greatest discount rate’ in the Shkedy method and [sic] would have been a simple matter of math to figure out what the actual discount is based on what the lowest bid price was and a seller using the Shkedy method would have been motivated to in addition to telling the buyer what the lowest price bid was [sic] tell the buyer what discount that price inherently represents” Office Action, August 19, 2005, p. 5 *citing* Shkedy c. 3, ll 54-57 (“A seller will be selected whose bid is the best, e.g. lowest price.”) The mathematical complexity of obtaining an effective discount rate for the selected seller in Shkedy’s method does not bear on the issue of obviousness. *See Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473 (Fed. Cir. 1998) (“[S]implicity alone is not determinative of obviousness.”) Further, Examiner’s assertion that a seller would be motivated to “tell the buyer what discount that price inherently represents,” Office Action, August 19, 2005, p. 5, likewise does not bear on the issue of obviousness. The Shkedy method teaches away from Applicant’s invention because a seller in Shkedy’s method has no use for discount data. Sellers in the Shkedy method compete on price, *see* Shkedy, col. 7, ll. 24-25 (“The seller would then be notified of a maximum price he had to beat in order to bid.”), not discount rate.

Examiner contends that “it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the Shkedy title of his method ‘A GLOBAL BILATERAL BUYER-DRIVEN SYSTEM’ and simply just call it a ‘REVERSE AUCTION’ as suggested by applicant’s admitted prior art because one would have been motivated to call it ‘a reverse type auction’ when advertising the auction because that was the standard phrase used for this type of auction and therefore the buying public would then be more likely to participate in the auction they clearly understand.” Office Action, August 19, 2005, p. 6. The title of a reference, however, does not form the basis of an obviousness rejection. *See* 35 U.S.C. § 103.

Claims 2-31 depend from claim 1. For at least the reasons claim 1 is patentable, claims 2-31 are patentable. Claims 2-31 have additional limitations over claim 1 providing further reason claims 2-31 are patentable.

2. Claim 32-62 are separately patentable over U.S. Patent No. 6,260,024 (Shkedy) in view of Applicant’s admitted prior art in specification

Applicant disagrees with Examiner’s contention that “the combination of Shkedy and Applicants [sic] admitted prior art was found already above in method claim 1 to read on most of the limitation of apparatus claim 32” Office Action, August 19, 2005, p. 13-14. Claims 1 and 32 do not stand or fall together. *See* Applicant’s Appeal Brief, August 12, 1999 (“Applicant contends the claims may be grouped as follows: 1. Claim 1-31(Group 1) stand or fall together. 2. Claims 32-62 (Group 2) stand or fall together. 3. Claim 63 (Group 3) stands alone.”) Further, Examiner has not met his burden of establishing a *prima facie* case of obviousness. Examiner merely argues that various references disclose elements of claim 32—a point which Applicant does not agree with—but Examiner presents no evidence of a motivation or suggestion to combine the cited references. *See* MPEP 2142 “Establishing A *Prima Facie* Case Of Obviousness” (“To establish a *prima facie* case of obviousness . . . there must be some suggestion or motivation, either in the references themselves or in the knowledge

generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings” Moreover, the arguments supporting claim 1’s patentability apply to claim 32.

Claims 33-62 depend directly or indirectly from claim 32. For at least each of the reasons claim 32 is patentable, claims 33-62 are patentable. Claims 33-62 have additional limitations over claim 32 providing further reason claims 33-62 are patentable.

B. Claim 63 is patentable under 35 U.S.C. § 103(a) over U.S. Patent No. 6,260,024 (Shkedy) in view of Applicant’s admitted prior art and “ECOMMERCE / BUYING SERVICE COUNTS ON STRENGTH IN NUMBERS” THE WASHINGTON POST. Newsday (combined editions).

For at least the reasons claims 1-62 are patentable, claim 63 is patentable.

Examiner’s arguments that “it is inherent that Accompany, Inc. solicits bids from multiple sellers” as evidence that it discloses pre-negotiation “with multiple sellers” are not relevant. Office Action, August 19, 2005, pages 26-27. Applicant does not claim “pre-negotiation” with multiple sellers in the sense suggested by Examiner. Rather, Applicant claims:

A computer-implemented auction system for negotiating discount credits between sellers offering at least one pre-defined category of goods or service items and buyers wishing to purchase goods or service items selected from said category, comprising:

an auction system having an auction engine that presents a first interface for access by buyers in communicating willingness to purchase items selected from a pre-defined category at a negotiated category discount and a second interface for access by sellers in communicating willingness to offer items selected from the pre-defined category . . .

The “negotiated category discount” is the subject of active bidding by the seller’s of Applicant’s invention. (Page 29, lines 20-22; Figure 1, reference no. 5).

The Washington Post reference does not inherently disclose soliciting “bids from multiple sellers.” Sellers associated with The Washington Post reference do not actively bid for a collection of buyers’ business. The Washington Post reference describes a process whereby Accompany negotiates, in advance, with a seller to determine a schedule of discounts that will take effect each time a threshold number of buyers for a particular item is achieved. Examiner’s arguments suggest that as buyers join a “buy cycle,” multiple sellers are bidding on this business thereby creating the “schedule of discounts.” This suggestion is incorrect and not supported by the reference. The schedule of discounts is fixed prior to the beginning of the “buy cycle”: “How will it work? Say you want a Palm Pilot. You go to www.accompany.com and find a ‘buy cycle’ [the buy cycle] is illustrated with a graphic showing the current number of committed buyers, the schedule of discounts that will kick in as more people join the group and the time remaining,” The Washington Post reference.

Examiner suggests that The Washington Post reference discloses the claimed element “the auction system further having a compilation system that analyzes the bid data to present information to sellers through the second interface indicative of the aggregate commitment amounts associated with different requested discounts.” Office Action, August 19, 2005, p. 23 (“[S]ee THE WASHINGTON POST ‘That’s what Accompany calls the period of time an item is offered, and it’s illustrated with a graphic showing the current number of committed buyers, the SCHEDULE OF DISCOUNTS that will kick in as more people join the group and the time remaining.’”) The claimed element, however, “analyzes the bid data to present information to sellers,” whereas the cited reference presents the “schedule of discounts” to buyers, *see* The Washington Post reference (“Say you want a Palm Pilot. You go to www.accompany.com and find a ‘buy cycle’ for a particular model, That’s what Accompany calls the period time an item is offered, and it’s illustrated with a graphic showing

the current number of committed buyers, . . .”) (emphasis added). The cited reference does not disclose the claimed element.

Examiner contends that “it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the combination of Shkedy and Applicants [sic] admitted prior art to pre-negotiate with multiple sellers as suggested by THE WASHINGTON POST because to do so will increase the chances of getting the best discount.” Office Action, August 19, 2005, p. 23. The Washington Post reference does not teach or suggest pre-negotiating “with multiple sellers” but rather suggests a method for buyers to cooperate by “negotiating volume discounts.” The Washington Post reference teaches away from pre-negotiating “with multiple sellers” because the “schedule of discounts that will kick in as more people join the group” are from a single seller. See The Washington Post reference (“Accompany allows them to cooperate by negotiating volume discounts on their behalf.”) Examiner presents no other arguments on the motivation or suggestion to combine the cited references.

The fee of \$250 as applicable under the provisions of 37 C.F.R. § 41.20(b)(2) is enclosed. Please charge any additional fee or credit any overpayment in connection with this filing to our Deposit Account No. 02-3978.

Respectfully submitted,

GABRIEL N. ISSA

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Enclosure - Appendices



VIII. CLAIMS APPENDIX

1. A method for conducting an online auction of a monetary amount for a specified category of items, the method comprising:

receiving at a computer site at least one bid having a discount rate for the specified category of items being auctioned from a plurality of sellers registered to participate in the auction;

receiving at the computer site a commitment to buy an undiscounted monetary amount of the item or within the specified category of items at a minimum discount rate from at least one buyer registered to participate in the auction; and

declaring at least one successful seller of the monetary amount for the specified category of items based on the bid from the successful seller or sellers having the greatest discount rate greater than or equal to the minimum discount rate and best meeting the buyer's individual conditions.

2. The method as claimed in claim 1 wherein a commitment to buy an undiscounted value amount at a minimum discount rate is received from each of a plurality of buyers and wherein the method further comprises pooling the plurality of buyers to obtain various pooled award amounts and wherein the at least one successful seller is declared of his respective pooled award amount for the specified category of items.

3. The method as claimed in claim 1 wherein the items are products.

4. The method as claimed in claim 1 wherein the items are services.

5. The method as claimed in claim 2 wherein the plurality of buyers are independent and/or unrelated.

6. The method as claimed in claim 2 further comprising receiving at the computer site information representing a minimum award amount or predefined sequence of minimum award amounts corresponding to a predefined sequence of discount bids that each seller is willing to accept from the pooled buyers for a given category.

7. The method as claimed in claim 2 further comprising receiving at the computer site information representing a maximum award amount that a seller is capable of accepting and willing to accept from the pooled buyers.

8. The method as claimed in claim 1 further comprising receiving at the computer site information representing a method of guaranteeing the value amount from the at least one buyer.

9. The method as claimed in claim 1 wherein at least one seller is pre-approved to sell the specified category of items.

10. The method as claimed in claim 1 further comprising receiving at the computer site information representing any sellers unacceptable to the at least one buyer.

11. The method as claimed in claim 1 wherein the computer site is a Web site.

12. The method as claimed in claim 1 wherein the auction is a reverse auction.

13. The method as claimed in claim 1 wherein the auction ends a fixed period of time after the auction begins.

14. The method as claimed in claim 1 further comprising receiving at the computer site a command from the at least one buyer to try to end the auction for the at least one buyer wherein a successful seller of the value amount for the at least one buyer can be declared before the preset auction expiration time.

15. The method as claimed in claim 1 further comprising receiving at the computer site a command from the at least one buyer to try to end the auction for the at least one buyer wherein a successful seller of the value amount for the at least one buyer can be declared before the end of the auction.

16. The method as claimed in claim 1 wherein the successful seller is determined by the buyer's pre-defined conditions.

17. The method as claimed in claim 1 wherein the seller with the highest bid for discount rate is the successful seller.

18. The method as claimed in claim 1 wherein there is more than one successful seller for a given auction.

19. The method as claimed in claim 1 wherein a buyer account is assigned to the registered buyer.

20. The method as claimed in claim 19 wherein the buyer account includes various inter-linked sub-accounts.

21. The method as claimed in claim 20 wherein the sub-accounts are linked to at least one external account of the registered buyer held by a financial institution.

22. The method as claimed in claim 21 wherein the buyer's funds can be transferred between the various sub-accounts and also between the sub-accounts and external accounts held by other financial institutions.

23. The method as claimed in claim 22 wherein the registered buyer can transfer funds or reassign buying power amounts to the account of another registered buyer or a registered seller.

24. The method as claimed in claim 1 wherein a seller account is assigned to each registered seller.

25. The method as claimed in claim 24 wherein the seller account includes various inter-linked sub-accounts.

26. The method as claimed in claim 25 wherein the sub-accounts are linked to at least one external account of the at least one seller held by a financial institution.

27. The method as claimed in claim 26 wherein the seller's funds can be transferred between the various sub-accounts and also between the sub-accounts and external accounts held by other financial institutions.

28. The method as claimed in claim 27 wherein the at least one registered seller can transfer funds or reassign buying power amounts to the account of another registered buyer or a registered seller.

29. The method as claimed in claim 1 wherein the step of receiving at least one bid includes receiving a bidding table for at least one seller in which the at least one seller

commits to a sequence of bids corresponding to a sequence of value amounts for a given category.

30. The method as claimed in claim 1 wherein each of the sellers is pre-approved to sell the specified category of items.

31. The method as claimed in claim 1 wherein the auction ends an undetermined period of time after the auction begins.

32. A computer site for conducting an online auction of a monetary amount for a specified category of items, the computer site comprising:

a set of related documents and associated files; and

a server for serving up the set of related documents and associated files to a plurality of I/O devices to provide buyers and sellers with capability to participate in the auction, the server being programmed with application software to:

receive at least one bid having a discount rate for the specified category of items being auctioned from a plurality of sellers registered to participate in the auction;

receive a commitment to buy undiscounted monetary amount within the specified category of items at a minimum discount rate from at least one buyer registered to participate in the auction; and

declare a successful seller of the monetary amount for the specified category of items based on a bid from the successful seller or sellers having the greatest discount rate greater than or equal to the minimum discount rate and best meeting the buyer's individual conditions.

33. The computer site as claimed in claim 32 wherein a commitment to buy an undiscounted value amount at a minimum discount rate is received from each of a plurality of buyers and wherein the server is further programmed to pool the plurality of buyers to

obtain various pooled award amounts and wherein the at least one successful seller is declared his respective pooled award amount for the specified category of items.

34. The computer site as claimed in claim 32 wherein the items are products.

35. The computer site as claimed in claim 32 wherein the items are services.

36. The computer site as claimed in claim 33 wherein the plurality of buyers are independent and/or unrelated.

37. The computer site as claimed in claim 33 further comprising receiving at the computer site information representing a minimum award amount or predefined sequence of minimum award amounts corresponding to a predefined sequence of discount bids that each seller is willing to accept from the pooled buyers for a given category.

38. The computer site as claimed in claim 33 further comprising receiving at the computer site information representing a maximum award amount that a seller is capable of accepting and willing to accept from the pooled buyers.

39. The computer site as claimed in claim 32 wherein the server is further programmed to receive information representing a method of guaranteeing the value amount from the at least one buyer.

40. The computer site as claimed in claim 32 wherein at least one seller is pre-approved to sell the specified category of items.

41. The computer site as claimed in claim 32 wherein the server is further programmed to receive information representing any sellers unacceptable to the at least one buyer.

42. The computer site as claimed in claim 32 wherein the computer site is a Web site.

43. The computer site as claimed in claim 32 wherein the auction is a reverse auction.

44. The computer site as claimed in claim 32 wherein the auction ends a fixed period of time after the auction begins.

45. The computer site as claimed in claim 32 further comprising receiving at the computer site a command from the at least one buyer to try to end the auction for the at least one buyer wherein a successful seller of the value amount for the at least one buyer can be declared before the preset auction expiration time.

46. The computer site as claimed in claim 32 wherein the server is further programmed to receive a command from the at least one buyer to try to end the auction for the at least one buyer wherein a successful seller of the value amount for the at least one buyer can be declared before the end of the auction.

47. The computer site as claimed in claim 32 wherein the successful seller is determined by the buyer's pre-defined conditions.

48. The computer site as claimed in claim 32 wherein the seller with the highest bid for discount rate is the successful seller.

49. The computer site as claimed in claim 32 wherein there is more than one successful seller for a given auction.

50. The computer site as claimed in claim 32 wherein a buyer account is assigned to the registered buyer.

51. The computer site as claimed in claim 50 wherein the buyer account includes various inter-linked sub-accounts.

52. The computer site as claimed in claim 51 wherein the sub-accounts are linked to at least one external account of the registered buyer held by a financial institution.

53. The computer site as claimed in claim 52 wherein the buyer's funds can be transferred between the various sub-accounts and also between the sub-accounts and external accounts held by other financial institutions.

54. The computer site as claimed in claim 53 wherein the registered buyer can transfer funds or reassign buying power amounts to the account of another registered buyer or a registered seller.

55. The computer site as claimed in claim 32 wherein a seller account is assigned to each registered seller.

56. The computer site as claimed in claim 55 wherein the seller account includes various inter-linked sub-accounts.

57. The computer site as claimed in claim 56 wherein the sub-accounts are linked to at least one external account of the at least one seller held by a financial institution.

58. The computer site as claimed in claim 57 wherein the seller's funds can be transferred between the various sub-accounts and also between the sub-accounts and external accounts held by other financial institutions.

59. The computer site as claimed in claim 58 wherein the at least one registered seller can transfer funds or reassign buying power amounts to the account of another registered buyer or a registered seller.

60. The computer site as claimed in claim 32 wherein the server is further programmed to receive a bidding table for at least one seller in which the at least one seller commits to a sequence of bids corresponding to a sequence of value amounts for a given category.

61. The computer site as claimed in claim 32 wherein each of the sellers is pre-approved to sell the specified category of items.

62. The computer site as claimed in claim 32 wherein the auction ends an undetermined period of time after the auction begins.

63. A computer-implemented auction system for negotiating discount credits between sellers offering at least one pre-defined category of goods or service items and buyers wishing to purchase goods or service items selected from said category, comprising:

an auction system having an auction engine that presents a first interface for access by buyers in communicating willingness to purchase items selected from a pre-defined category at a negotiated category discount and a second interface for access by sellers in communicating willingness to offer items selected from the pre-defined category;

the first interface including a commitment amount field through which each buyer communicates the amount that buyer will commit to spend and a requested discount field through which each buyer communicates the smallest discount that buyer will accept;

a data storage associated with the auction engine for storing the identity of buyers who have communicated willingness to purchase items from the pre-defined category, and for storing bid data indicative of the commitment amount and requested discount communicated by each buyer;

the auction system further having a compilation system that analyzes the bid data to present information to sellers through the second interface indicative of the aggregate commitment amounts associated with different requested discounts;

the second interface having a discount offer field through which each seller communicates the discount that seller is willing to offer;

a commitment system having a mechanism for terminating negotiation in response to a pre-defined criterion and for identifying a selected seller that has offered the greatest discount during the negotiation;

the commitment system communicating with the auction system to generate a discount record for at least a portion of the buyers identified in the data storage, each discount record including the identity of the buyer and seller, the pre-defined category on which the buyer negotiated and data indicative of the commitment amount and the discount offered by the selected seller.

IX. EVIDENCE APPENDIX

None.

X. RELATED PROCEEDINGS APPENDIX

None.